

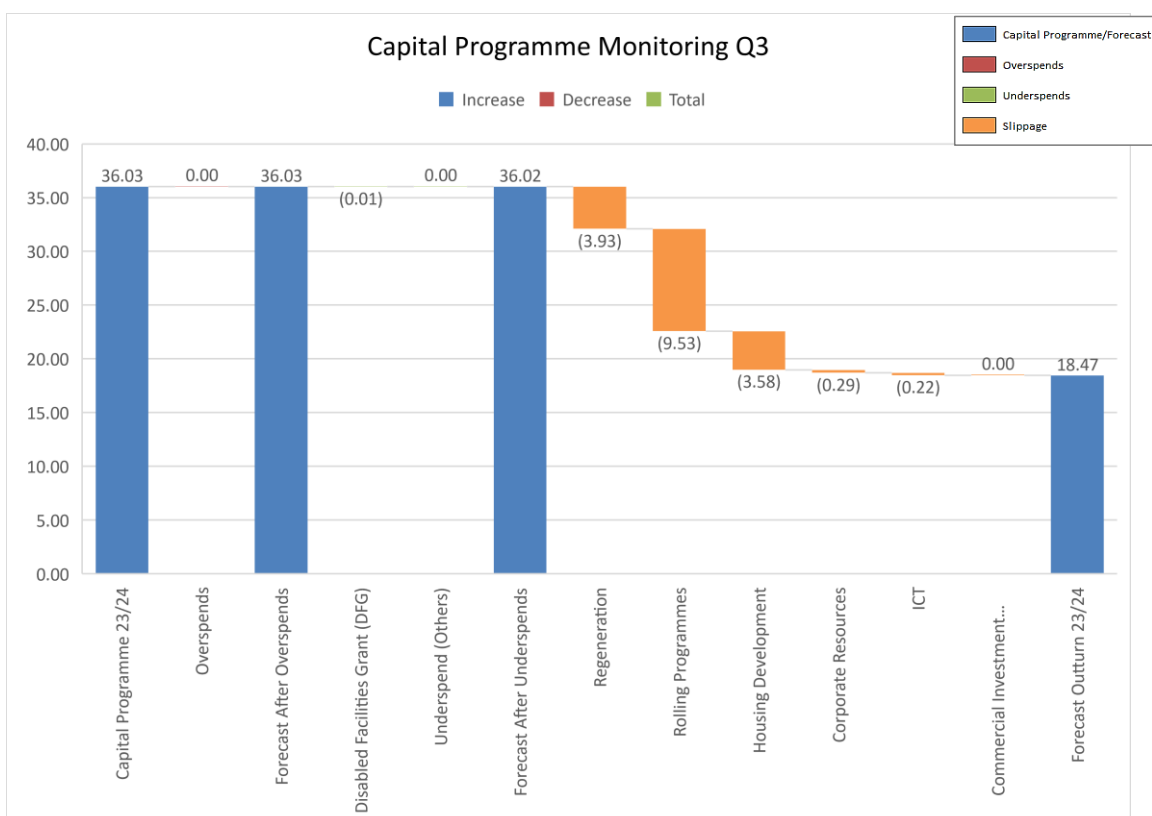
2023-24 Q3 Capital Programme Monitoring

Summary

Full year forecast expenditure against the Capital Programme at the end of Quarter 3 is £18.470m which is £17.563m (49%) below the approved Programme for the year. The variance is predominantly a result of forecast slippage, with several significant programmes not expected to commence until at least 2024/25.

Headline Capital Budget Information 2023-24

	£m
Current Budget (Section 1):	36.033
Projected Net Overspends	0.000 (or 0 % of Programme)
Projected Net Underspends	-0.010 (or 0 % of Programme)
Projected Slippage	-17.553 (or 49 % of Programme)
Total Capital Expenditure	18.470



Slippage & significant variances

Regeneration	Marketfield Way Redevelopment - (£1.00m over original budget allocation) - due to timing of payment to main contractor. Overall project is still within the £4.298m additional budget approved by Council in February 2024.
	Merstham Recreation Ground - (£2.57m slippage) - Main works will now commence in April 2024, with minimal spend forecast in 2023/24.
	Horley Public Realm Improvements - (£0.93m slippage) - on-site delivery now expected to commence summer 2024.
	Subway Refurbishment, Horley - (£0.77m slippage) - on-site delivery now expected to commence late 2024.
	Preston Regeneration (£0.46m slippage) - Skate park delivered, with remainder of expenditure taking place in 2024/25.
Strategic Property	Beech House, London Road. Reigate - (£3.00m slippage) pending decision on plans for investment in the asset.
	Car Park Capital Works - (£0.76m slippage) - expenditure now expected in 2024/25.
Corporate Resources & Organisational Development	Environmental Strategy Delivery - (£0.29m slippage) - original budget and CIL allocation will be spent over multiple financial years.
	Great Workplace Programme - (£0.25m slippage) - expenditure subject to outcome of Town Hall occupancy review.

Other	Vehicles & Plant Programme - (£1.56m slippage) - expenditure now expected in 2024/25.
	Vehicle Wash Bay Replacement - (£0.35m slippage) - expenditure now expected in 2024/25.
	Harlequin Service Development - (£0.16m slippage) - expenditure now unlikely to be required

Capital ANNEX 3: Section 1

Reconciliation of Capital Programme to Approved Budgets 2023-24

	£000
Original Capital Budget	4,339.0
Budget approved but not yet released ¹	0.0
	<hr/> 4,339.0
Additions	
Carry Forwards from previous year	24,116.2
Budgets released during the year ¹	7,577.9
Reprofiling of projects	0.0
Other Changes	0.0
Current Capital Budget	<hr/> 36,033.1 <hr/>

Notes

- 1 Some budgets are approved as part of the capital programme but are not released pending further approval. These are added when the business case has been approved.

Capital ANNEX 2: Section 2

Capital Budget Monitoring Quarter 3 (P9):
Summary by Programme and Project 2023-24

Programme/Project	Year to Date	Original Budget	Carry Forwards	Released In Year	Current Budget	Year End Outturn	Year End Variance	Scheme Controller	Quarter 3: Explanation of Significant Variances
	£000	£000	£000	£000	£000	£000	£000		
Temporary Accommodation – Cyclical Repairs & Improvement	17.9	40.0	0.0	0.0	40.0	17.9	-22.1	Dan Jones	Minor underspends forecast
Temporary Accommodation - New Pond Flat Works	56.1	0.0	95.0	0.0	95.0	56.1	-38.9	Dan Jones	Minor underspends forecast
Massetts Road	0.5	21.0	21.0	0.0	42.0	0.5	-41.5	Dan Jones	Minor underspends forecast
Operational Buildings	1.3	95.0	370.0	0.0	465.0	95.0	-370.0	Dan Jones	Town hall reoccupation project is progressing. There will be some re-fitting expenditure in 2023/24 and the remaining balance required in 2024/25 subject to being eligible capital expenditure.
Community Centre Programme	4.8	67.0	81.4	0.0	148.4	67.0	-81.4	Dan Jones	Horley Community Centre refurbishment is scheduled subject to a final decision on the business case. The underspend will be carried forward to 2024/25 to fund the works.
Existing Pavilions Programme	112.6	50.0	97.5	0.0	147.5	147.5	-0.0	Dan Jones	Full spend anticipated on parks cafes refurbishment.
Leisure Centre Maintenance	6.0	190.0	158.7	0.0	348.7	6.0	-342.7	Dan Jones	Forecast remains unchanged. Requires a decision to carry forward £200k for future emergency plant repairs following the leisure centre contract extension.
Harlequin Property Maintenance	130.4	120.0	270.0	0.0	390.0	130.4	-259.5	Dan Jones	The Harlequin remains closed following the identification of RAAC. Forecast remains unchanged for 23/24 and the remaining budget will continue to be utilised to keep building safe. It is expected that the remaining capital budget will not be required for the foreseeable future.

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	£000	£000	£000	£000	£000	£000	£000		
Tenanted Properties	0.0	100.0	166.6	0.0	266.6	100.0	-166.6	Dan Jones	Tenanted properties are undergoing planned lift replacements and heating, ventilation and air conditioning upgrades. There will be a requirement to carry underspends forward to 2024/25.
Crown House	0.0	75.0	285.0	0.0	360.0	0.0	-360.0	Dan Jones	This budget is no longer required as planned works are being funded by Greensand Holdings Limited.
Units 1-5 Redhill Distribution Centre Salfords	0.0	17.0	114.5	0.0	131.5	0.0	-131.5	Dan Jones	Expenditure is likely to take place in 2024/25, subject to the outcome of negotiations to extend the lease to the existing tenant or to modify the property for a new tenant.
Linden House, 51B High Street Reigate	0.0	12.0	0.0	0.0	12.0	68.8	56.8	Dan Jones	Overspend on fit-out at change of tenancy for the upper floor unit.
Unit 61E Albert Road North	44.1	12.0	74.2	0.0	86.2	86.2	0.0	Dan Jones	Drainage and remedial work are forecast to complete in 2023/24
Forum House, Brighton Road Redhill	0.0	150.0	270.0	0.0	420.0	0.0	-420.0	Dan Jones	Budget carry forward to 2024/25 to be required to cover extensive works on lifts and HVAC - subject to the outcome of procurement.
Beech House, London Road Reigate	0.0	0.0	3,000.0	0.0	3,000.0	0.0	-3,000.0	Dan Jones	Options are to be agreed and business case approved by PSTESC. Therefore this budget will be carried forward into 2024/25
Regent House, 1-3 Queensway Redhill	0.0	90.0	175.0	0.0	265.0	0.0	-265.0	Dan Jones	Budget carry forward to 2024/25 to be required to cover extensive works on lifts and HVAC - subject to the outcome of procurement.

Capital ANNEX 2: Section 2

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Tenanted Property Assets	0.8	76.0	135.4	0.0	211.4	0.8	-210.6	Dan Jones	Planned for 2024/25 subject to procurement. Parks cafes roofs and drainage system upgrades.
Infra-structure (walls)	18.8	10.0	31.4	0.0	41.4	41.4	0.0	Dan Jones	Full spend at outturn forecast.
Car Parks Capital Works Programme	0.0	195.0	562.7	0.0	757.7	0.0	-757.7	Dan Jones	Expenditure will now take place in 2024/25. Awaiting car parks review outcome and procurement.
Earlswood Depot/Park Farm Depot	0.0	20.0	60.7	0.0	80.7	0.0	-80.7	Dan Jones	Expenditure will now take place in 2024/25. Multiple workstreams are in the planning phase with plans to be finalised and procurement approach confirmed.
Public Conveniences	4.0	10.0	21.0	0.0	31.0	10.0	-21.0	Dan Jones	Forecast underspend and requirement to carry forward £21k to cover on-going works including at Horley public conveniences.
Cemeteries & Chapel	0.0	20.0	80.0	0.0	100.0	50.0	-50.0	Dan Jones	Remaining balance required for works planned in 2024/25 subject to condition surveys and procurement.
Allotments	0.0	12.0	42.0	0.0	54.0	0.0	-54.0	Dan Jones	No planned spend in 2023/24. A workplan is to be developed and budget carry forward to 2024/25.
Building Maintenance - Capitalised Staff Costs	0.0	28.0	28.0	0.0	56.0	0.0	-56.0	Dan Jones	Capitalisation rules and policy mean there is limited scope to capitalise salaries in 2023/24.
Pavilion Replacement - Woodmansterne	0.0	0.0	20.0	0.0	20.0	0.0	-20.0	Dan Jones	Expenditure will now take place in 2024/25. Boiler works specification to be programmed in line with the tenant's operational activity.

Capital ANNEX 2: Section 2

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	£000	£000	£000	£000	£000	£000	£000		
Priory Park	92.9	10.0	223.0	0.0	233.0	233.0	0.0	Dan Jones	Full spend forecast for year with confirmation of final invoices and costs in progress.
Strategic Property	490.2	1,420.0	6,383.0	-	7,803.0	1,110.5	- 6,692.4		
ICT Replacement Programme	24.8	200.0	0.0	0.0	200.0	37.7	-162.3	Darren Wray	Investment in replacement IT capital assets in 2023/24 with further replacement programmes to be effected in 2024/25.
Replacement Printers and Photocopiers	0.0	60.0	0.0	0.0	60.0	0.0	-60.0	Darren Wray	The project for printer replacement will now take place in 2024/25, subject to procurement.
Council Chamber IT Project	113.5	0.0	0.0	150.0	150.0	150.0	0.0	Alex Vine	Project complete

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	£000	£000	£000	£000	£000	£000	£000		
Environmental Strategy Delivery	7.9	0.0	236.0	62.2	298.2	7.9	-290.3	Catherine Rose	Expenditure comprises two elements. First, a general Environmental Sustainability (ES) capital fund (£236k) that is used on an ad hoc basis for smaller ES projects or to provide 'top up' funding to other projects to make them more sustainable – therefore this will not all be spent in this financial year as it will effectively cover a multi-year requirement of funding for the respective projects. The second element is the first phase of strategic CIL funding associated with sustainability improvements to Council buildings. It is proposed to incorporate strategic CIL funding associated with sustainability improvements to Council buildings within the Property Services budget from 2024/25 onwards.
Corporate Resources	146.3	260.0	236.0	212.2	708.2	195.6	- 512.7		
Great Workplace Programme - Phase 2	0.0	250.0	0.0	0.0	250.0	0.0	-250.0	Dan Jones	This budget was created before the pandemic to fund changes to office space. A decision on use going forward is still awaited, and expenditure is now forecast up to 2025/26.
Organisational Development	-	250.0	-	-	250.0	-	- 250.0		
Organisation Capital Budget	636.4	1,930.0	6,619.0	212.2	8,761.2	1,306.1	- 7,455.1		

Capital ANNEX 2: Section 2

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	£000	£000	£000	£000	£000	£000	£000		
Home Improvement Agency & Handy Person Scheme	90.0	125.0	0.0	0.0	125.0	120.0	-5.0	Katie Jackson	Minor variance
Disabled Facilities Grant	935.6	1,287.0	0.0	0.0	1,287.0	1,281.5	-5.5	Katie Jackson	Minor variance
Temporary Accommodation – Stirling House	120.0	0.0	120.0	0.0	120.0	120.0	0.0	Richard Robinson	Expenditure complete
Temporary Accommodation – Mitchell Court	240.0	0.0	240.0	0.0	240.0	240.0	0.0	Richard Robinson	Expenditure complete
Purchase of Temporary & Emergency Accommodation	1,405.6	0.0	3,996.6	0.0	3,996.6	1,405.6	-2,591.0	Richard Robinson	The Council has purchased 4 properties with a further property under offer. Likely to purchase another 3 (TA) and a HMO (EA) in 2024/25.
Purchase of Temporary Accommodation - Local Authority Housing Fund (Round 1)	1,299.8	0.0	2,967.5	0.0	2,967.5	2,123.7	-843.8	Richard Robinson	The Council purchased 4 properties that are now occupied. Housing partners have purchased 3 properties, with a further 4 properties undergoing conveyancing and 1 property to be identified.
Purchase of Temporary Accommodation - Local Authority Housing Fund (Round 2)	858.2	0.0	0.0	1,857.8	1,857.8	1,777.0	-80.8	Richard Robinson	The Council purchased 3 properties that are currently under refurbishment. Another property is undergoing conveyancing.
Octavia Court (Lee Street Bungalows)	0.0	0.0	20.0	0.0	20.0	20.0	0.0	Richard Robinson	Final £20k expenditure for release of retention before 31 March - project then complete
Development of Court Lodge Residential Site	0.6	0.0	0.0	0.0	0.0	0.0	0.0	Peter Boarder	Small residual spend in 2023/24.
Wheatley Court (Cromwell Road Development)	25.4	0.0	100.0	0.0	100.0	25.4	-74.6	Richard Robinson	£25k spent on consultancy costs and retention - project complete - no further spend forecast in 2023/24.
Housing	4,975.1	1,412.0	7,444.1	1,857.8	10,713.9	7,113.2	- 3,600.7		

Capital ANNEX 2: Section 2

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	£000	£000	£000	£000	£000	£000	£000		
Harlequin - Service Development	-1.2	100.0	64.0	0.0	164.0	0.0	-164.0	Duane Kirkland	Harlequin budgets are currently under review due to identification of RAAC and the requirement to close the building.
Leisure & Intervention	- 1.2	100.0	64.0	-	164.0	-	- 164.0		
CCTV Rolling Programme	94.0	0.0	104.6	0.0	104.6	97.3	-7.3	Justine Chatfield	Minor variance
UKSPF - Digital Connectivity for Local Community Facilities	0.0	0.0	3.0	0.0	3.0	3.0	0.0	Justine Chatfield	Project complete
Community Partnerships	94.0	-	107.6	-	107.6	100.3	- 7.3		
People Services Capital Budget	5,068.0	1,512.0	7,615.7	1,857.8	10,985.5	7,213.4	- 3,772.0		
Vehicles & Plant Programme	40.1	582.0	1,022.3	0.0	1,604.3	40.1	-1,564.2	Morag Williams	Rolling programme reviewed resulting in capital slippage and re-profiling to 2024/25 .
Fleet Vehicle Wash-Bay Replacement	0.0	0.0	350.0	0.0	350.0	0.0	-350.0	Morag Williams	Included in the depot works programme - timing of replacement is subject to vehicle requirements and prioritisation of this project as part of the programme.
Workshop Refurbishment	0.0	0.0	160.0	0.0	160.0	0.0	-160.0	Morag Williams	Included in the depot works programme - timing of replacement is subject to vehicle requirements and prioritisation of this project as part of the programme.
Play Area Improvement Programme	79.9	230.0	0.0	0.0	230.0	79.9	-150.1	Morag Williams	Subject to specification and agreement of a programme of works - £80k will be spent in 2023/24 and the remainder will be carried forward to 2024/25.
Parks & Countryside - Infrastructure & Fencing	0.0	45.0	0.0	0.0	45.0	4.0	-41.0	Morag Williams	Minor underspend in 2023/24 - further works planned for 2024/25

Capital ANNEX 2: Section 2

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	£000	£000	£000	£000	£000	£000	£000		
Air Quality Monitoring Equipment	2.6	40.0	0.0	0.0	40.0	20.0	-20.0	Katie Jackson	Forecast reflects reduced asset replacement this year plus reduced capacity to pursue capital projects due to competing demands of Gatwick DCO work.
Contribution to Surrey Transit Site	0.0	0.0	127.0	0.0	127.0	0.0	-127.0	Pat Main	This is a budget brought forward from 2022/23 and is subject to approval of planning permission when a suitable Surrey transit site is identified.
Neighbourhood Operations	122.6	897.0	1,659.3	-	2,556.3	144.0	- 2,412.3		
Pay-on-Exit Car Parking at Central Car Park and Victoria Road Car Park, Horley	13.6	0.0	45.6	281.6	327.2	140.3	-186.9	Peter Boarder	Work to install electric vehicle charging points will be completed this financial year. Slippage related to wider landscaping works that have been tendered will be delivered in the first half of 2024/25.
Horley Public Realm Improvements - Phase 4	9.8	0.0	564.9	390.8	955.7	25.9	-929.8	Peter Boarder	Detailed design has now been completed and project delivery transferred to Surrey County Council; slippage relates to the physical delivery of the improvements which are provisionally programmed to commence in summer 2024.

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	£000	£000	£000	£000	£000	£000	£000		
Subway Refurbishment, Horley	24.6	0.0	0.0	825.6	825.6	56.1	-769.5	Peter Boarder	Designs for the refurbishment of the subway are being progressed to the end of RIBA stage 3. Slippage relates to the delivery of the works that will need to take place after Network Rail have completed works to the subway superstructure which is currently provisionally scheduled for late 2024. Some works may be able to be delivered ahead of this as part of the public realm improvements
Marketfield Way Redevelopment	5,993.4	0.0	5,574.9	0.0	5,574.9	6,574.9	1,000.0	Peter Boarder	Overspend on current budget to settle Final Account with the main contractor. Additional budget of £4.298m approved by Council in February 2024. A payment of just under £1m to Vinci is required in late 2023/24 funded within the £4.298m additional budget.
Redhill Public Realm Improvements	0.0	0.0	30.0	0.0	30.0	30.0	0.0	Peter Boarder	Project complete
Merstham Recreation Ground	37.6	0.0	1,465.0	1,230.6	2,695.6	124.2	-2,571.4	Peter Boarder	A contract has been let to deliver a replacement pitch at Battlebridge and works are due to begin in March. The main contractor has been selected for works to Merstham Rec and works are now forecast to commence early 2024/25.

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	£000	£000	£000	£000	£000	£000	£000		
Preston - Parking Improvements	148.4	0.0	542.0	0.0	542.0	76.1	-465.8	Peter Boarder	Works to deliver Preston skate park delivered. Planning applications submitted for parking scheme and awaiting planning permission prior to works commencing. Forecast start on site in 2024/25.
Place Delivery	6,230.9	-	8,222.3	2,728.6	10,950.9	7,027.5	- 3,923.4		
Place Services Capital Budget	6,353.5	897.0	9,881.6	2,728.6	13,507.2	7,171.5	- 6,335.7		
Watercolour Community Space Grant - S106		0.0	0.0	103.5	103.5	103.5	0.0	Relevant HoS	Funds forecast to be utilised in 2023/24
Kingswood Level Crossing Capital Grant - S106		0.0	0.0	76.0	76.0	76.0	0.0	Relevant HoS	Funds forecast to be utilised in 2023/24
S106	-	-	-	179.5	179.5	179.5	-		
CIL Capital Awarded to Third Parties	1,289.3	0.0	0.0	2,599.8	2,599.8	2,599.8	0.0	Relevant HoS	On-going allocation of funds
CIL	1,289.3	-	-	2,599.8	2,599.8	2,599.8	-		
Corporate Capital Budget	1,289.3	-	-	2,779.3	2,779.3	2,779.3	-		
Total Capital Budget	13,347.2	4,339.0	24,116.2	7,577.9	36,033.1	18,470.3	- 17,562.8		